

Universal Service Administrative Company
Fund Size Projections for 4th Quarter 2006

Appendix M02
4Q2006
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High Cost Support Mechanism
Fund Size Projections for 4Q2006

High Cost Loop Support	\$342.554 M
Local Switching Support	123.196 M
Interstate Common Line Support	313.379 M
Interstate Access Support Mechanism	179.947 M
Forward-Looking High Cost Mechanism	85.812 M
<i>Subtotal High Cost Support Mechanism Program Demand</i>	<u>1,044.888 M</u>
Prior Period True-ups	(121.855) M
USAC Administrative Expenses	3.598 M
Interest Income	(4.287) M
Total High Cost Support Mechanism Contributions 4Q2006	<u>\$922.344 M</u>

Low Income Support Mechanism
Fund Size Projections for 4Q2006

Lifeline Assistance	\$189.856 M
Link-Up	8.060 M
Toll Limitation Service	2.191 M
<i>Subtotal Low Income Support Mechanism Program Demand</i>	<u>200.107 M</u>
Prior Period True-ups	(27.548) M
USAC Administrative Expenses	1.242 M
Interest Income	(2.466) M
Total Low Income Support Mechanism Contributions 4Q2006	<u>\$171.335 M</u>

Rural Health Care Support Mechanism
Fund Size Projections for 4Q2006

Rural Health Care Support	\$11.552 M
Prior Period True-Ups	1.030 M
USAC Administrative Expenses	0.959 M
Interest Income	(0.560) M
Total Rural Health Care Support Mechanism Contributions	<u>\$12.981 M</u>

Schools and Libraries Support Mechanism
Fund Size Projections for 4Q2006

Schools and Libraries Support	\$562.500 M
Prior Period True-Ups	(41.416) M
Interest Income	(40.111) M
Total Schools and Libraries Support Mechanism Contributions	<u>\$480.973 M</u>
USAC Administrative Expenses ¹	19.468 M

¹ 47 C.F.R. § 54.507 limits total annual support to \$2.25 billion per funding year. Administrative costs are part of the funding requirement and